

Before The  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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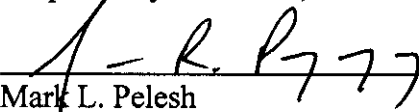
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POSTAL RATE AND FEE CHANGES, 2000  
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Docket No. R2000-1

**FIRST SET OF INTERROGATORIES OF  
ASSOCIATION OF AMERICAN PUBLISHERS  
TO OCA WITNESS SMITH AAP/OCA-T4-1-3**

Pursuant to Section 25 and 26 of the Commission's Rules of Practice and Procedure, the Association of American Publisher (AAP), hereby submits the following interrogatories and request for production of documents to OCA witness Smith (OCA-T-4). AAP incorporates by reference the instructions in OCA interrogatories OCA/USPS-1-15 (filed January 24, 2000). If the designated witness is unable to respond to any interrogatory, or any part therein, we request a response by some other qualified witness.

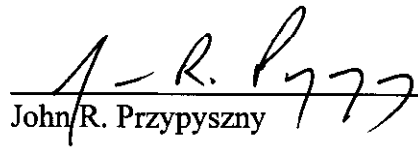
Respectively submitted,

  
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Mark L. Pelesh  
John R. Przypyszny  
Drinker Biddle & Reath LLP  
1500 K Street NW  
Suite 1100  
Washington, D.C. 20005  
Telephone: (202) 842-8800

Counsel for Association  
American Publishers

### CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document, by First-Class Mail,  
upon the participants in this proceeding.

  
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John R. Przypyszny

Date: June 19, 2000

**FIRST SET OF INTERROGATORIES OF  
ASSOCIATION OF AMERICAN PUBLISHERS  
TO OCA WITNESS SMITH**

**AAP/OCA-T4-1**      On page 40 of your testimony (line 12) you state that “In the *long run*, all of the factors of production are variable.” With respect to this statement:

(a) Please confirm that in the long run, the factors of production that are variable at the Postal Service include all wage levels and all work rules that are in effect under the Postal Service’s existing contracts with all labor unions whose members are employed by the USPS. Please explain in detail any answer other than a confirmation.

(b) Please confirm that in the long run, the factors of production that are variable at the Postal Service include all transportation contracts between the Postal Service and all outside rail, air and trucking firms that now furnish purchased transportation services to the USPS. Please explain in detail any answer other than a confirmation.

**AAP/OCA-T4-2**      With respect to the discussion of the economic concept of the long run which is discussed on page 40 of your testimony, please indicate whether you agree or disagree that the “very long run” is a period so long that all of a firm’s present contracts will have run out and its present plant and equipment will have been worn out or rendered obsolete and will therefore need replacement. Please identify and explain any area of disagreement with this economic concept.

**AAP/OCA-T4-3** Please explain fully, on a step-by-step basis, how you recommend the Postal Service should measure its labor costs that are variable over the long run as that term is used on page 40 of your testimony.